GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:5691
ANSWERED ON:03.05.2005
CIGARETTE INDUSTRY
Panda Shri Prabodh;Reddy Shri Magunta Sreenivasulu

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Bhutan is the first country in the world to ban smoking and tobacco sales at the public place;

(b) if so, its impact on Indian-tobacco industry;

(c) whether cigarette manufacturing units in the country are less in comparison to the production of tobacco; and

(d) if so, the steps being taken to encourage new manufacturers including the foreign companies in this field so that tobacco farmers get a better price for their yield?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY(SHRI E.V.K.S. ELANGOVAN)

(a): No Sir.

(b): Does not arise.

(c) &(d): At present, there are 19 units in the organised sector engaged in the manufacture of cigarettes with a total installed capacity of about 147.38 billion pieces per annum, which is sufficient to cater to the needs of the country. In fact, Government is not encouraging any new units for the manufacture of cigarettes. India has strict mechanism for regulating and controlling domestic cigarette production, consumption and trade, as reflected through various measures such as the ID&R Act, 1951 and the Cigarettes and Other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act, 2003. Liberalisation in the manufacture of cigarettes would, therefore, go against the country's tobacco control measures. The question of encouraging new manufacturers / foreign companies in this field does not arise as sufficient manufacturing capacity exists in this country.